



FERTILIZER AND DEVELOPMENT – GLOBAL PERSPECTIVES

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Russia's war against Ukraine and high energy prices result in high fertilizer prices



Movement of **Fertilizer price index** compared to **Energy price index**



- No trade data in yet for 2022
- Indications are that amounts have not changed dramatically, but prices have

Potash exported (tonnes), 2020



Urea exported (tonnes), 2020

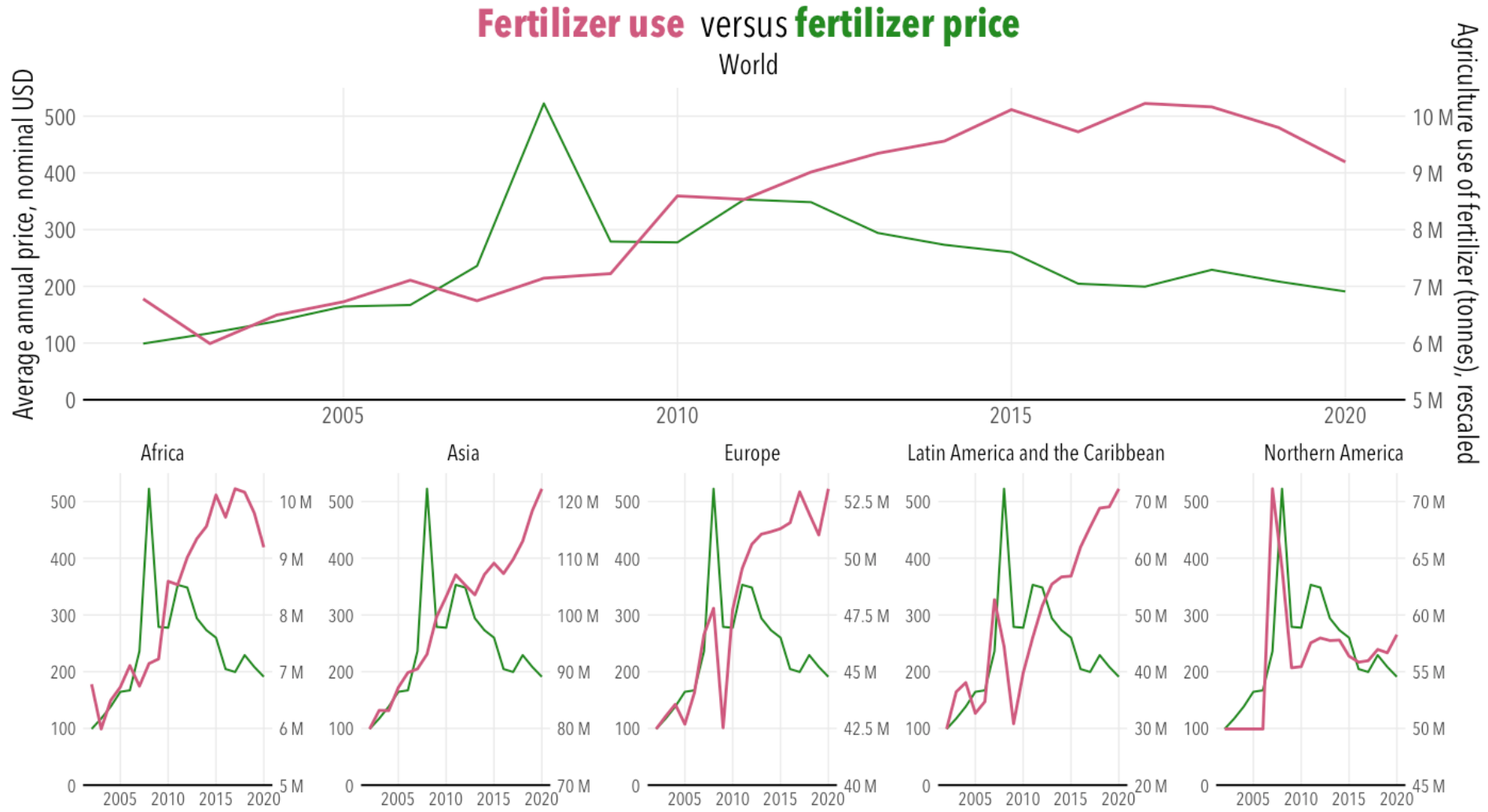


DAP exported (tonnes), 2020





Do high fertilizer prices reduce fertilizer use?

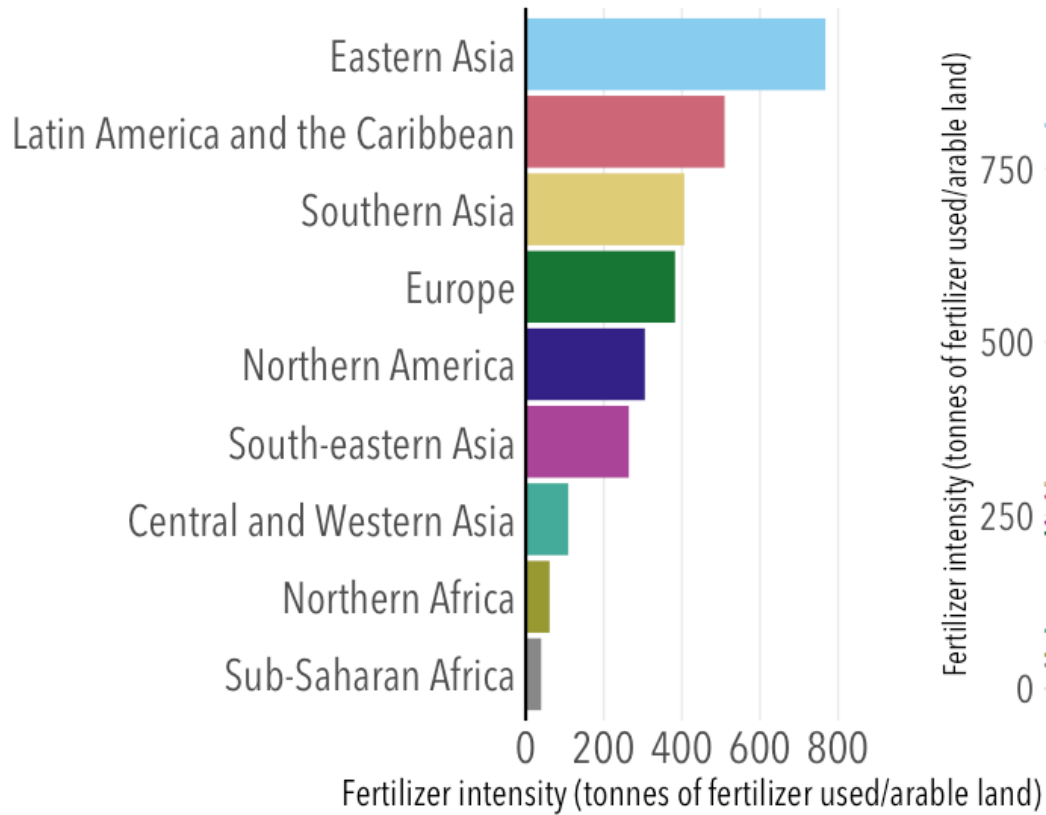


Note: Egypt and Nicaragua removed as outliers | Source: World Bank Commodity Markets, FAO

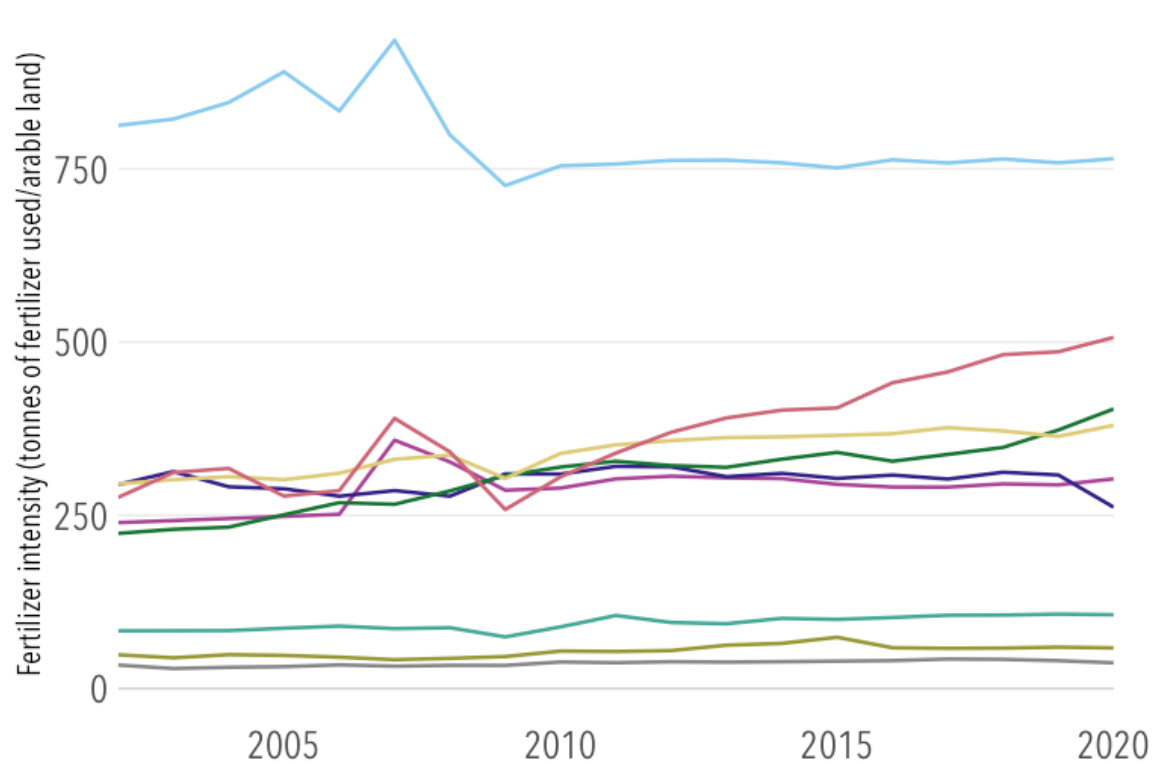


The bigger issue: long-run trends in fertilizer use

Fertilizer intensity, by sub-region



Fertilizer intensity, by sub-region





Possible solutions

- **Avoid trade restrictions and export bans on fertilizers**
- **Market- and insurance-based instruments instead of subsidies**
 - Forward contracts better than spot market dependence – why not do this at national scale instead of subsidies that suffer from spot markets?
 - Short-term credit facilities and guarantees
- **Making the most of high prices:** more efficient use and reducing overuse
- **Producing more fertilizers in developing countries** – linked to natural gas